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Taiwan

Grain and Feed

Third Private Rice Tender Results 2005

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Report Highlights:

On May 31, Taiwan allocated the third and final 15,000 metric tons of its 2005 private rice import quota. The quota rights were awarded to 13 importers through a competitive bidding process at prices ranging from NT\$11.510/kg to NT\$14.000/kg, with a weighted average of NT\$11.830/kg. The prices for quota rights were slightly lower than the first and second tranches allocated in November 2004 and March 2005 because of expected increases in 2005 Taiwan rice production. These import rights will be valid from June 1 through September 15, 2005. As of June 7, the exchange rate was \$1 = NT\$31.19.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW1]
[TW]

Private Sector Allocations for 2005, Third Tranche

On May 31, Taiwan allocated the third tranche of 15,000 mt of the 2005 private sector rice quota (see Table 1). The quotas were awarded to 13 importers out of 69 bidders through a competitive bidding process at prices ranging from NT\$11.510/kg to NT\$14.000/kg, with a weighted average of NT\$11.830/kg. (The current exchange rate is \$1 = NT\$31.19).

These import rights will be valid from June 1 to September 15, 2005. The maximum bid and average prices were lower compared those from prior tranches. The lower prices are likely a result of good weather for Taiwan's spring rice crop, which is a marked improvement from drought conditions in 2004.

However, the minimum price was higher than in March, cutting the difference between maximum and minimum prices by more than half. In November 2004, the difference was NT\$4.012, versus NT\$1.510 in May 2005. Differences in maximum and minimum bids were considerably larger for 2005 imports than for the year before. For example, in November 2003 and May 2004, the differences were NT\$1.211 and NT\$0.486, respectively. In general, the price range for private import rights tends to narrow as the import year progresses. Most likely this occurs because market conditions become clearer over time, especially the size of Taiwan's rice harvest. Since almost 90 percent of Taiwan's rice consumption is supplied domestically, rice prices are primarily determined by local agricultural conditions rather than world prices. As a result, if the Taiwan harvest is expected to fall, prices for import rights tend to increase in anticipation of higher local rice prices.

Table 1. Taiwan 2005 Rice TRQ Allocation Results

PRODUCT NAME	QUOTA AMOUNT	QUOTA VALIDITY DURATION	ALLOCATION DATE	AVERAGE BID PRICE	MAX. BID PRICE	MIN. BID PRICE	# OF ALLOCATIONS
Rice	15,000 mt	Jan. 1/ Sept. 15	Nov. 25	NT\$14.330	NT\$17.600/kg	NT\$13.588/kg	31
	20,652 mt	April 1/ Sept. 15	Mar. 31	NT\$11.940	NT\$15.000/kg	NT\$11.280/kg	43
	15,000 mt	June 1/ Sept. 15	May. 31	NT\$11.830	NT\$14.000/kg	NT\$11.510/kg	13
Total	50,652 mt						